

CASH LEASE AGREEMENT

THIS AGREEMENT made in duplicate this _____ day of _____, 20____.

BETWEEN:

(Landlord's name)
being the registered owner or purchaser under an
Agreement for Sale of the land described in Schedule "A".

of _____
in the Province of Manitoba,
(address)

(the "**Landlord**")

- and -

(Tenant's name)
of _____
in the Province of Manitoba,
(address)

(the "**Tenant**")

SECTION 1.00 DEFINITIONS

- 1.01 "Alterations and Improvements" means any and all fixtures, improvements, installations, alterations and additions made, erected or installed by or on behalf of the Tenant in or upon the Leased Lands with the exception of the Tenant's equipment and machinery;
- 1.02 "Leased Lands" means the agricultural lands identified in Schedule "A" hereto;
- 1.03 "Term" means the term specified in Section 3.01 hereof.

Disclaimer: This Agreement has been prepared for general information purposes only and is intended to provide a starting point for farmers, as they develop Agreements for use in their business. Persons relying on such information do so entirely at their own risk. Since it is impossible to cover all legal contingencies and provisions in every situation, please consult with a legal professional to ensure that the Agreement accurately reflects the arrangements and relationship between the concerned parties.

1.04 "Taxes" means all taxes, including (but not limited to) goods and services tax, real property tax and school tax, rates, duties, levies and assessments of any kind levied, imposed or assessed against the Leased Lands, any building thereon or any Alterations and Improvements made thereto, or with respect to the Tenant's use of the Leased Lands.

SECTION 2.00 DESCRIPTION OF BUILDINGS ON LEASED LAND

2.01 In consideration of the rent, covenants, promises and agreements contained in this Lease, the Landlord leases to the Tenant the farm lands and premises as described in Schedule "A", together with all buildings, barns, stables and other outhouses located on the Leased Land except (list any buildings that are located on the Leased Lands that are not accessible by the Tenant) namely:

SECTION 3.00 DEMISE AND TERM, AS IS BASIS

3.01 The term of this Lease shall be _____ year(s) commencing on the _____ day of _____, 20____, and ending on the _____ day of _____, 20____.

3.02 The Tenant accepts the Leased Land on an "As Is", and "Where Is" basis and any Alterations and Improvements made, erected or installed during the Term, with the Landlord's prior written approval, shall be at the risk, cost and expense of the Tenant and to the entire satisfaction of the Landlord.

SECTION 4.00 ANNUAL RENTALS

4.01 The Tenant must pay annual rent (the "Rent") for the Lease to the Landlord in the amount of \$_____:

- (a) to be paid in full on or before _____ for each year of this Lease;
- (b) to be paid (1/2, 1/3 etc) on or before _____ for each year of this Lease.

4.02 All Rent is payable to the Landlord at its address shown above.

SECTION 5.00 PAYMENT FROM GOVERNMENT AGENCY

5.01 In the event that any payment, subsidy or other reimbursement is made under any government agency, or any marketing agency in connection with grain production on the said Leased Land during the Term of this Lease, the payments identified with the Leased Land shall be paid to the Tenant unless otherwise agreed upon.

SECTION 6.00 USE OF LEASED LANDS

The Tenant covenants with the Landlord, that throughout the Term of the Lease it shall:

- 6.01 Cultivate, seed and harvest the said land in a good husbandlike and proper manner and will perform all fall work necessary in order to leave the Leased Land in a proper condition for the following year's cultivation and will not impoverish or waste the same.
- 6.02 Use this Leased Land and premises for the purpose of crop production only, unless otherwise limited or restricted in writing by the Landlord.
- 6.03 Not remove any sand, gravel, clay, or topsoil except for his own use, and agree that he has no rights whatsoever to valuable stone or other such substances existing or, or under the surface of the said Leased Land.
- 6.04 Not change the natural course of any waterways on the said Leased Land, or cut down trees growing upon the Leased Land, nor permit any other person to do so, without the written consent of the Landlord.
- 6.05 Use all best efforts to rid the Leased Lands of noxious weeds and in this regard, the Tenant shall comply with all lawful orders imposed by the relevant municipal or local government district.
- 6.06 At no time allow or permit any liens, (including but not limited to builders' liens) to arise or be filed against any of the Leased Lands on account of any work, labour, services or materials supplied to or on behalf of the Tenant.
- 6.07 Allow the Landlord, including its employees, agents and representatives to enter upon the Leased Lands at any time for the purpose of inspecting the Leased Lands, including any Alterations and Improvements thereon.

SECTION 7.00 STORAGE OF CROP

7.01 The Landlord shall provide _____ (tonnes, bushels) of crop storage. In the event additional crop storage is required, it shall be the sole responsibility of the Tenant.

SECTION 8.00 TAXES

8.01 Unless otherwise agreed upon, the payment of all Taxes on the Leased Land shall be paid by the Landlord.

SECTION 9.00 ALTERATIONS AND IMPROVEMENTS

9.01 Title to all Alterations and Improvements shall vest in the Landlord and no alterations and improvements shall be sold, removed, disposed of, or encumbered without the written consent of the Landlord.

SECTION 10.00 SUBLETTING

10.01 The Tenant shall not sublet, or assign this Lease, or any part thereof, or any interest therein without obtaining the prior written consent of the Landlord to the sublease or assignment. Upon any consent by the Landlord, the original Tenant remains liable for the remainder of the Term.

SECTION 11.00 RENEWAL

11.01 The Term of this Lease may be extended by mutual agreement between the Landlord and Tenant for a further period upon the same terms and conditions as contained herein, except as otherwise agreed in writing by the parties executing a renewal statement.

SECTION 12.00 DEFAULT

12.01 The Tenant is in default under this Lease if:

- (a) The Rent or any part of the Rent is in arrears for fifteen days after the due date, whether or not the Landlord has made a demand for payment; or
- (b) The Tenant assigns or sublets the land without the Landlord's approval; or
- (c) The Tenant breaches any of the covenants of this Lease.

SECTION 13.00 TERMINATION

13.01 If the Tenant defaults in the payment of the Rent, or in the performance of any other of the Tenant's covenants under this Lease, and the default continues for fifteen (15) days, the Landlord may give to the Tenant a notice in writing requiring the Tenant to remedy the default within a period of fifteen (15) days from the notice, and if the Tenant fails to remedy the default within the period of fifteen (15) days, the Landlord may:

- (a) Enter upon and take possession of the Leased Land or any portion thereof in the name of the Landlord and repossess and enjoy same, and the Term granted shall cease; or
- (b) Re-enter the Leased Land without terminating this Lease and the Tenant shall be liable for any actual loss of Rent which the Landlord may incur during the unexpired portion of the Term, provided that the Landlord shall take all reasonable steps to re-lease the Leased Land and to mitigate the Landlord's losses and damages.

13.02 The Tenant may terminate this Lease as of January 1st of any year during the Term provided that:

- (a) the Tenant gives the Landlord written notice of termination no later than December 1st of the previous year; and
- (b) the Tenant is not otherwise in default or in arrears in remitting any amount payable by the Tenant under this Lease, or in default with respect to any other covenant or undertaking contained in this Lease.

SECTION 14.00 YIELDING UP LANDS, RESTORATION

14.01 Upon the expiry of this Lease, the Tenant shall yield up the Leased Land, together with any Alterations and Improvements that the Tenant has elected to leave, in such condition that is consistent with good farm management, husbandry and conservation practices. Nothing herein amends or modifies the Tenant's obligations as set out in Section 6.00.

SECTION 15.00 ARBITRATION

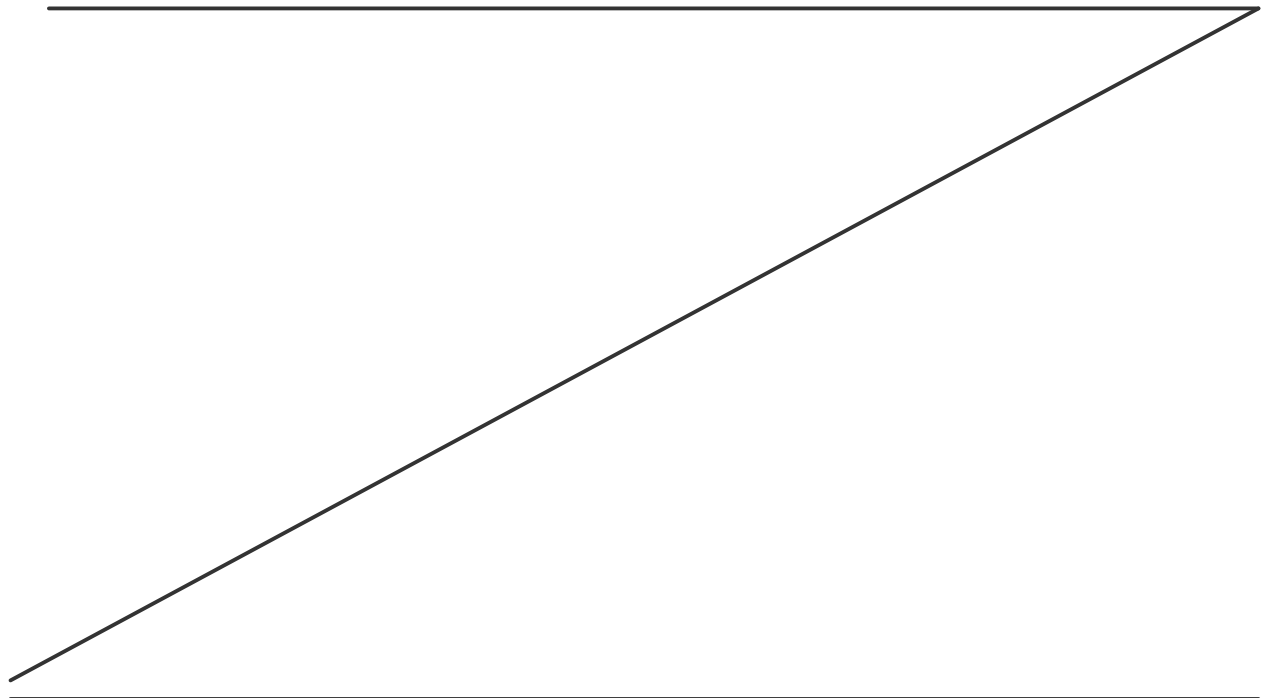
15.01 Any disagreement which may arise between the contracting parties hereto shall, when a mutually satisfactory settlement cannot be reached, be submitted to arbitration. The arbitration authority may either be a single person mutually satisfactory to both parties, or a board of three, one member to be proposed by each party and a third selected by the two as chosen. The recommendation of the arbitrator or arbitration board shall be accepted as final. The cost of arbitration will be split 50/50 between the Landlord and the Tenant.

SECTION 16.00 GENERAL

16.01 Time shall be of the essence of this Lease.

16.02 This document and the attached Schedule "A" contain the entire agreement between the parties. There are no undertakings, representations or promises express or implied, other than those contained in this Lease.

16.03 No amendment or change to, or modification of this Lease shall be valid unless it is in writing and signed by both parties.



SCHEDULE "A"

LEGAL DESCRIPTION OF LEASED LANDS

- A. PARCEL (QUARTER/SECTION/TOWNSHIP/RANGE)
- B. TOTAL ACRES (HECTARES)
- C. EXCEPTING AND RESERVING UNTO THE LANDLORD THE FOLLOWING LANDS AND BUILDINGS NAMELY:
 - LANDS RESERVED: _____
 - BUILDINGS RESERVED: _____